



EUROPEAN COMMISSION

PRESS RELEASE

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## Political agreement on new direction for common agricultural policy

The European Parliament, the EU Council of Ministers and the European Commission have reached an agreement on reforming the common agricultural policy (CAP) post 2013. *"I am delighted with this agreement which gives the Common Agricultural Policy a new direction, taking better account of society's expectations as expressed during the public debate in spring 2010. This agreement will lead to far-reaching changes: making direct payments fairer and greener, strengthening the position of farmers within the food production chain and making the CAP more efficient and more transparent. These decisions represent the EU's strong response to the challenges of food safety, climate change, growth and jobs in rural areas. The CAP will play a key part in achieving the overall objective of promoting smart, sustainable and inclusive growth",* said Dacian Cioloș, European Commissioner for Agriculture and Rural Development.

### A fairer CAP

**Direct payments** are to be distributed in a **fairer** way between Member States, between regions and between farmers, putting an end to 'historical references':

- Convergence: the distribution of the CAP budget will ensure that no single Member State receives less than 75% of the Community average by 2019<sup>1</sup>. Within a given Member State or region, divergences in the levels of aid will be reduced from one holding to the next: aid per hectare may not be less than 60% of the average of the aid disbursed by 2019 in a single administrative or agronomic area. Member States will be able to increase support for small and medium-sized farms by allocating higher levels of aid for the 'first hectares' of a holding. For new Member States, the Simplified Area Payments Scheme (SAPS) – a single payment per hectare – may be extended until 2020.
- Only farmers currently active may benefit from income-support schemes. (list of excluded activities). Young farmers will be strongly encouraged to set up business, with the introduction in all Member States of a 25% aid supplement during the first 5 years in addition to the existing investment measures aimed at young farmers.
- Member States will also be able to allocate increased amounts of aid to less-favoured areas. It will be possible to allocate coupled payments for a limited number of products, with a specific 2% coupling for plant-based proteins, so as to make the EU less dependent on imports in this area.

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<sup>1</sup> That point is subject to approval in the framework of MFF discussions.

## **A CAP which enhances the position of farmers in the food production chain**

Further improving the market orientation of European agriculture will be supported by allocating new resources to farmers, enabling them to be reliable participants in the food production chain:

- Professional and interprofessional organisations will be promoted, and, for certain sectors, there will be specific regulations on competition law (milk, beef, olive oil, cereals). Such organisations will be able to increase efficiency by negotiating sales agreements on behalf of their members.
- Sugar quotas will be abolished by 2017, and the organisation of the sugar sector will be strengthened on the basis of contracts and mandatory interprofessional agreements.
- As from 2016, in the wine sector, the planting rights system will be replaced by a dynamic planting-authorisation management mechanism in which professionals are involved to a greater extent, applicable until 2030, with a fixed planting limit of 1% for vines per year.

In addition, new **crisis management** tools will be put into place:

- The Commission will be able to temporarily authorise producers to manage the volumes placed on the market,
- Provision of a crisis reserve (including a general emergency clause).
- Under rural development programmes, Member States will be able to encourage farmers to take part in risk prevention mechanisms (income support schemes or mutual funds) and to devise sub-programmes deployed for sectors facing specific problems.

## **A greener CAP**

All Member States, all rural areas and all farmers will take simple, proven measures to promote sustainability and combat climate change. Between 2014 and 2020, over EUR 100 billion will be invested to help farming meet the challenges of soil and water quality, biodiversity and climate change:

- 'Greening' of 30% of direct payments will be linked to three environmentally-friendly farming practices: crop diversification, maintaining permanent grassland and conserving 5%, and later 7%, of areas of ecological interest as from 2018 or measures considered to have at least equivalent environmental benefits.
- At least 30% of the rural development programmes' budget will have to be allocated to agri-environmental measures, support for organic farming or projects associated with environmentally friendly investment or innovation measures.
- Agri-environmental measures will be stepped up to complement greening practices. These programmes will have to set and meet higher environmental protection targets (guarantee against double funding).

## **A more efficient and transparent CAP**

The CAP instruments will allow each EU Member State to fulfil the common objectives in an efficient and flexible manner, taking account of the diversity of the 27, soon to be 28 Member States:

- The amount of funding to support research, innovation and knowledge-sharing will be doubled.
- Rural development programmes will be better coordinated with other European funds and the sector-based approach will be replaced by a more adaptable national or regional strategic approach.
- A simplified aid scheme for small farmers will be available to the Member States that so desire.
- Details of all CAP aid will be made public, with the exception of the very small amounts allocated to small farmers.

All aspects of the reform will be applicable as from **1 January 2014**, except for the new direct payments structure ('green' payments, additional support for young people, etc.) which will apply as from 2015 in order to give Member States time to inform farmers about the new CAP and to adapt computer-based CAP management systems.

## **Further information**

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